

Prince E.I.
Hous. corp.

HOUSING P.E.I.

A guide to Provincially and Federally administered housing programs available to the residents of Prince Edward Island

January 1976



THE P.E.I. HOUSING CORPORATION

Hon. George Proud, Minister Responsible for Housing

George Mason, General Manager

In order to provide a comprehensive outline of housing programs, it is necessary to review both Provincially and Federally administered programs in the Province of Prince Edward Island. If additional information is desired on any of the following programs, it can be obtained from the following housing agencies:

PROVINCIALY ADMINISTERED PROGRAMS

The Prince Edward Island Housing Corporation
P.O. Box 1506
Charlottetown, P.E.I.

FEDERALLY ADMINISTERED PROGRAMS

Central Mortgage and Housing Corporation (CMHC)
180 Kent Street
P.O. Box 786
Charlottetown, P.E.I.

I N D E X

CHART OF PROVINCIAL PROGRAMS

Section I - Home Ownership ProgramsProvincially Administered Programs

- | | |
|---------------------------------|---|
| 1. Co-operative Housing Program | 1 |
| 2. Social Housing | 2 |
| 3. Rural and Native Housing | 3 |

Federally Administered Programs

- | | |
|---|---|
| 1. Assisted Home Ownership Program (AHOP) | 4 |
| 2. Mortgage Loans for New Housing | 4 |
| 3. Mortgage Loans for Existing Housing | 5 |

Section II - Home RehabilitationProvincially Administered Programs

- | | |
|--|---|
| 1. Rural Residential Rehabilitation Assistance Program | 6 |
| 2. Social Rehabilitation Program | 7 |

Federally Administered Programs

- | | |
|-----------------------------|---|
| 1. Home Improvement Loans | 8 |
| 2. Emergency Repair Program | 8 |

Section III - Rental AccommodationsProvincially Administered Programs

- | | |
|---------------------------|----|
| 1. Senior Citizen Housing | 9 |
| 2. Homes for Special Care | 9 |
| 3. Family Housing | 10 |

Federally Administered Programs

- | | |
|----------------------------------|----|
| 1. Loans for Rental Housing | 11 |
| 2. Low-Rental Housing Assistance | 11 |
| 3. Limited Dividend | 12 |

Section IV - Municipal ProgramsProvincially Administered Programs

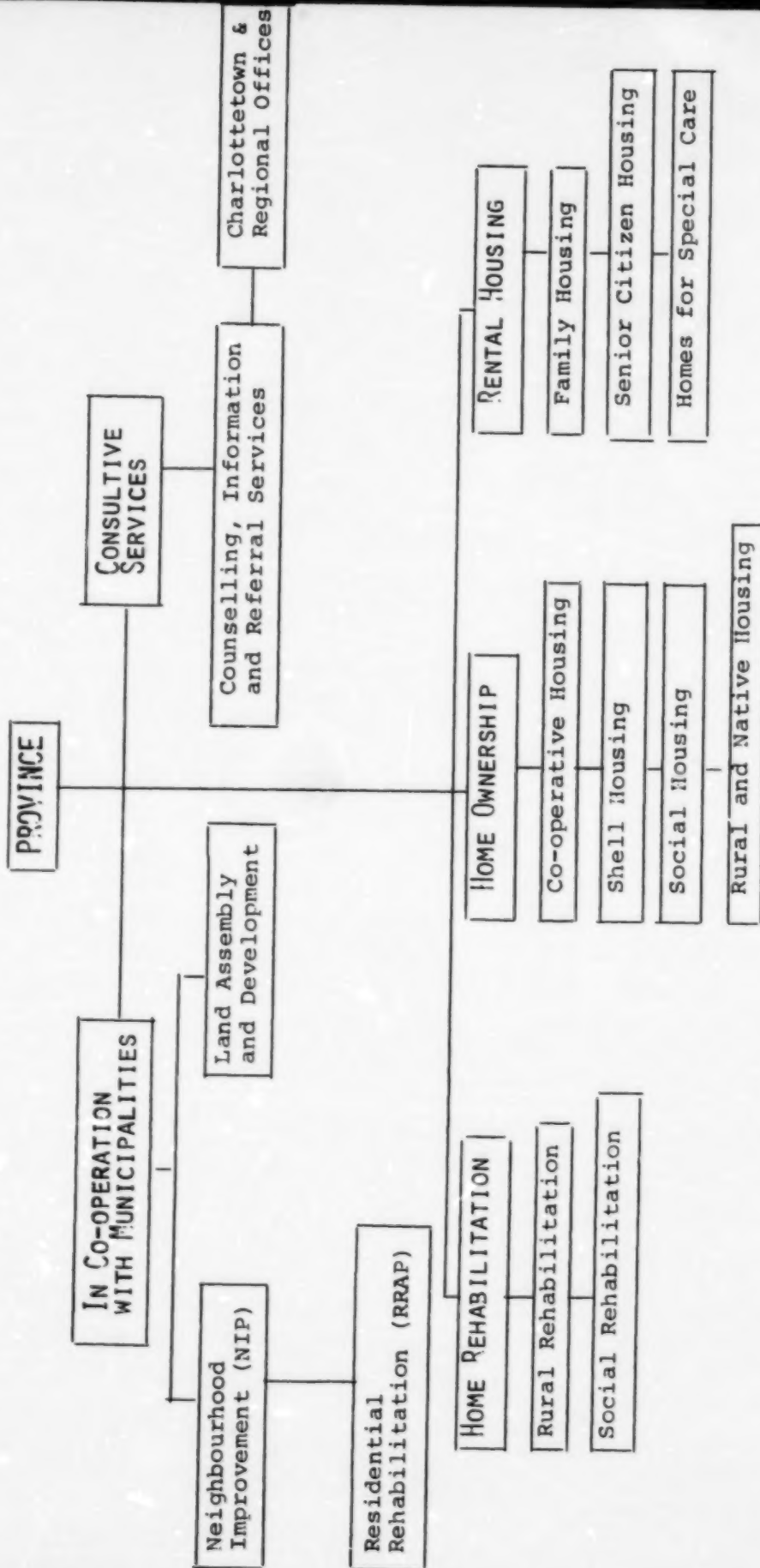
- | | |
|----------------------------------|----|
| 1. Land Assembly and Development | 13 |
|----------------------------------|----|

Tri-Level Administered Programs

- | | |
|--|----|
| 1. Neighbourhood Improvement Program | 13 |
| 2. Residential Rehabilitation Assistance Program | 14 |

PROGRAMS OF THE

PRINCE EDWARD ISLAND HOUSING CORPORATION



SECTION I - HOME OWNERSHIP PROGRAMS

Provincially Administered Programs

1. Co-operative Housing Program

Purpose:

- to provide an opportunity for low to moderate income families to build their own homes through co-operative efforts.

Description:

- interested persons are organized into housing groups, usually with five to seven members, to construct their new homes
- the Prince Edward Island Housing Corporation gives technical assistance and guidance to the groups from the formation of the groups through to the completion of the homes
- the groups have the option of dissolving upon completion of the homes

Eligibility:

- the program is available to families with low to moderate incomes
- the Prince Edward Island Housing Corporation has established maximum income and maximum available mortgage funding as eligibility criteria for the program

In 1975 these figures were:

for Urban areas

Maximum adjusted income	\$13,044
Maximum Mortgage funding	24,000

for Rural areas

Maximum adjusted income	\$11,230
Maximum Mortgage funding	21,500

Available Assistance:

- assistance to help reduce the amount of the mortgage and payments is available from Central Mortgage and Housing Corporation and the Prince Edward Island Housing Corporation
- assistance levels are the same as those under CMHC's Assisted Home Ownership Program
- in 1975 the maximum available assistance was \$1,400 per annum in urban areas and \$1,325 in rural areas
- the available assistance may be revised in 1976 since the Assisted Home Ownership Program is currently under review

- mortgage monies are provided by the Prince Edward Island Housing Corporation and Central Mortgage and Housing Corporation.

Source of Funding:

- the program is financed under Section 40 of the National Housing Act
- under this Section, Central Mortgage and Housing Corporation provides 75% of the mortgage monies and the Province supplies 25%
- the assistance given to Co-op members is also shared on a 75%-25% basis.

2. Social Housing Program

Purpose:

- to provide low income families with the opportunity to own their own homes by making existing homes available to them for purchase.

Description:

- in this program the Prince Edward Island Housing Corporation purchases existing homes and renovates them where necessary
- the Corporation then selects a tenant from applications on file and enters into a lease-purchase agreement with this tenant
- under the terms of this agreement the tenant pays a monthly rent which is considered payment for the purchase of this property
- the cost of the house is amortized over a 25 year period
- the tenants rental payment includes principal, interest, taxes, insurance, reserve and an administrative fee
- when the rental payments equal the amount of the total costs plus interest charges, the house becomes the property of the tenant.

Eligibility:

- applications for the program are assessed on such elements as income, family size, conditions of present accommodation and health so as to ensure that those families with greatest need are looked after first
- existing houses that cost more than \$15,000 are generally not considered for purchase by the Prince Edward Island Housing Corporation because of resulting high repayment requirement.

Source of Funding

- the funding for this program is under Section 15 of the National Housing Act
- this Section provides Federal loan monies of up to 95% of the acquisition and rehabilitation costs with the remaining 5% being the Provincial equity requirement.

3. Rural and Native Housing

Purpose:

- to improve the worst housing conditions in rural areas through the construction of new housing for very low income families.

Description:

- the program provides for the construction of minimum cost single family dwellings in rural areas
- the applicant for whom the dwelling is provided makes monthly payments based on a payment to income scale. This scale is very similar to that used in calculating rent for Public Housing units in urban areas. On making these payments the applicant receives ownership of the housing unit
- the difference between the applicant's monthly payments and the amount required to cover the monthly principal, interest and tax payments is cost shared 75%/25% by the Federal and Provincial Governments respectively
- the program encourages group and/or community involvement as a significant factor in getting the projects in place.

Eligibility:

- the program requires pre-selection of the eventual unit owner
- this requirement reflects the absolute necessity of making these units available to families that have positively no other alternative of acquiring adequate housing.

Source of Funding:

- financing is through Section 40 of the National Housing Act
- under this Section, CMHC supplies 75% of the funding while the remaining 25% is provided by the Province
- the monthly subsidy requirements are also cost shared on a 75%-25% basis.

Federally Administered Programs

1. Assisted Home Ownership Program (AHOP)

Purpose:

- to help low income families finance the purchase or construction of a new home by keeping monthly payments at a level that does not exceed a reasonable proportion of the family's adjusted income.

Eligibility:

- families who have not previously received assistance for the purchase of a home under this program may be eligible.

Available Assistance:

- the amount of assistance available under the program is related to family income and the cost of the home
- a major review of the program was undertaken late in 1975. Details on the resulting revisions will be made available by CMHC as they are approved

Note: -in some cases, veterans may qualify for additional annual financial assistance under this program.

2. Mortgage Loans for New Housing

Purpose:

- to provide greater opportunity for people to purchase new homes

Description:

- loans of up to 95% of the value of a new home are made available to assist in the purchase or construction of new single family dwelling.

Financial Assistance:

- maximum loan amounts and interest rates are changeable
- for information on the current rates and amounts check with CMHC office in Charlottetown

3. Mortgage Loans for Existing Housing

Purpose:

- to provide greater opportunity for people to own

and improve their own homes.

Description:

- loans of up to 95% of the value of existing homes are made available to assist in the purchase and improvement of the homes
- comparable loans are available for a duplex or both units of a semi-detached dwelling, for the improvement of a property already owned or the refinancing of a property.

Financial Assistance:

- maximum loan amounts and interest rates are variable.

SECTION II - HOME REHABILITATION AND IMPROVEMENT

Provincially Administered Programs

1. Rural Residential Rehabilitation Assistance Program

Purpose:

- to upgrade substandard houses to minimum property standards and minimum standards of health and safety.

Description:

- the program is available in rural areas and in incorporated areas of less than 2,500 people that are not participating in the Neighbourhood Improvement Program (NIP). Assistance from the Residential Rehabilitation Assistance Program (RRAP) is available in NIP areas
- priority is given to the repair of the structural elements with remaining funds being utilized for plumbing, heating, and wiring improvements
- the program provides a combination of forgivable and repayable loans in order to assist the home owners to make the approved renovations.

Eligibility:

- to be eligible for the program an applicant must own and occupy a substandard unit and have an adjusted income of \$8,000 or less (in some cases a tenant in a rented substandard unit may be eligible for assistance).
- for a unit to be eligible for rehabilitation it must be possible within the assistance limits to extend the unit's useful life by at least 15 years.

Available Assistance:

- up to \$5,000 in loan monies can be made available to help bring the housing unit up to minimum standards
- of the above loan amount, a maximum of \$2,500 may be given as a forgivable loan. The remainder must be repaid over a period of up to 15 years
- the amount of the forgivable loan will be determined by the applicant's income. In the case of an applicant whose adjusted income exceeds \$6,000, the amount of the forgivable loan will decrease by one dollar for each two dollars of additional income. Applicants with adjusted incomes of \$6,000 or less will qualify for the full \$2,500 forgivable loan

- the forgivable loan funds will be expended before any of the repayable loan funds are utilized.

Source of Funding:

- the forgivable loan segment is made available by Central Mortgage and Housing Corporation through Section 34.1 of the National Housing Act
- the repayable part of the loan is provided by the Prince Edward Island Housing Corporation.

2. Social Rehabilitation Program

Purpose:

- to supply financial and technical assistance to long term General Welfare recipients, for rehabilitation for their housing units.

Description:

- the Prince Edward Island Housing Corporation assumes responsibility for hiring contractors to carry out the rehabilitative work and for inspection of the contractors work
- the program operates through the co-operative efforts of the Prince Edward Island Department of Social Services, the Prince Edward Island Housing Corporation and the Central Mortgage and Housing Corporation
- the Employment Training Corps do the rehabilitative work on many of the Social Rehab homes. This results in reduced labour expenses.

Eligibility:

- applicants for the program are selected by the Department of Social Services
- before any rehabilitative work can take place the Housing Corporation must approve the housing unit and the proposed repairs. This approval is requested to ensure that the housing unit, once rehabilitated, will have a further useful life of at least 15 years.

Available Assistance:

- the assistance offered under the Social Rehab is the same as that available under the Rural Residential Rehabilitation Program (outlined on page 6).

Source of Funding:

- the funding for this program is the same as that for the Rural Residential Rehabilitation Assistance Program.

Federally Administered Programs

1. Home Improvement Loans

Purpose:

- to assist in financing the improvement of existing homes and apartments

Description:

- CMHC is authorized under the National Housing Act to give a limited guarantee to banks or approved installment credit agencies on loans made for additions, repairs and alterations to housing units.

Available Assistance:

- the loan may not exceed \$5,000 for a one-family dwelling, or for the first unit of a duplex or multi-family dwelling, plus \$1,500 for each additional existing unit.

2. Emergency Repairs Program

Purpose:

- to assist very low income families to make improvements on substandard houses.

Description:

- grants are normally given to local organizations involved with low income families so that they may buy the necessary materials for home renovations
- manpower is supplied through the federal government's Local Initiatives Program (LIP) or through the group's own efforts
- this is a temporary program that could be changed or discontinued at anytime.

SECTION III - RENTAL ACCOMMODATIONS

Provincially Administered Programs

1. Senior Citizen Housing

Purpose:

- to provide for the construction and rental of self-contained housing units for Island residents who are 60 years of age or over.

Description:

- the Prince Edward Island Housing Corporation assumes responsibility for the administration of existing Senior Citizen Housing units and for the provision of new units where warranted
- the units are self contained apartment type and are designed for people who are capable of looking after themselves
- most of the units presently available consist of a bedroom, bathroom, kitchenette and livingroom.

Eligibility:

- tenants for the units are selected on the basis of their need
- need is established by the means of a point rating system which includes income, present tenure, conditions of present accommodation, health and other factors.

Rental Charges:

- the rent charges for these units are based on a scale related to the tenant's income
- this scale establishes monthly rents from 20% to 25% of the tenant's income with the low percentage being applied to low income tenants.

Source of Funding:

- Senior Citizen Housing projects are financed under Section 43 of the National Housing Act
- under this Section CMHC provides long term low interest loans for 90% of the project cost while the Province provides the remaining 10%
- operating losses are cost shared 50/50 by the Federal and Provincial Governments as provided for within Section 44 of the National Housing Act.

2. Homes for Special Care

Purpose:

- to provide for the construction of homes for nursing care to the elderly.

Description:

- the Prince Edward Island Housing Corporation is responsible for the financing and the actual construction of Homes for Special Care
- the identifications of need for such projects is the responsibility of the Department of Social Services
- the operation and management of the homes, once construction is complete, is also that Department's responsibility.

Source of Funding:

- the earliest homes for Special Care where financed under Section 43 of the National Housing Act (90% CMHC / 10% Province)
- the new Home for special Care being planned for Charlottetown is to be financed under Section 15 of the National Housing Act. This Section provides a 95% loan from CMHC with the remaining 5% being the responsibility of the Province.

3. Family or Public Housing**Purpose:**

- to provide for the construction of quality rental housing units from families who cannot gain entry to adequate housing through any other means.

Description:

- the determination of need for Family Housing projects is the responsibility of the Prince Edward Island Housing Corporation
- the actual operation of a Family Housing Project, once constructed, is by a local volunteer Housing Authority
- the members of the local Housing Authorities are selected by a committee composed of Municipal, Provincial and Federal representatives.

Eligibility:

- tenants are selected by the local Housing Authorities based on the applicants' needs.

Rental Charges:

- rent is based on a rent-to-income scale which sets a minimum rent equal to 16.7% of the tenants' monthly income at the lowest income levels going up to a maximum of 25% of the tenants' monthly income at higher income levels.

Source of Funding:

- funding for Family Housing Projects is through Section 40 of the National Housing Act
- this cost sharing (75% CMHC / 25% Province) applies to both initial capital costs and to the continuing operating profits or losses.

Federally Administered Programs1. Loans for Rental Housing

Purpose:

- to encourage the construction of rental accommodation by private developers.

Description:

- loans from approved lenders are made for the construction of rental houses, apartments, hostels and dormitories
- the maximum loan for single-family units in a rental housing project is the maximum as set by CMHC for the specific area concerned
- under legislation introduced in 1975 CMHC may pay grants to owners of private NHA insured rental housing projects to enable them to make units available at reasonable rents.

2. Low Rental Housing Assistance

Purpose:

- to encourage construction of rental accommodation especially for those in need of low cost adequate housing by non-profit organizations or approved corporations.

Description:

- loans are provided through CMHC to assist groups or organizations to build low-rent housing accommodation
- accommodation provided under this program is intended to serve families and individuals of limited means, such as the elderly, the mentally retarded and the physically and emotionally handicapped.

Available Assistance:

- with the approval of the Provincial Government, CMHC may make a loan to any organization, corporation or individual wishing to undertake a low-rental project through either new construction or the purchase and improvement of existing buildings
- this loan is available in a high ratio to the lending value (up to 100\$ for certain types of non-profit organizations), at preferred rates of

- interest and for long terms
- in some cases "start-up" funds are a 10% contribution toward capital costs are also available
- in 1975 legislation was passed giving CMHC authority to lease land at favourable interest rates to any organization or individual wishing to undertake a low-rental housing project.

3. Limited Dividend Housing

Purpose:

- to encourage construction of rental accommodation by private developers.

Description:

- loans are provided at preferred interest rates through CMHC to assist developers in the construction of new rental accommodations
- in return for this assistance, the developer agrees to establish rents at rates approved by CMHC. These rates are set individually so as to allow the developer a reasonable return on investment.

SECTION IV - MUNICIPAL PROGRAMS

Provincially Administered Programs

1. Land Assembly and Development

Purpose:

- to purchase and service a sufficient supply of land to meet both Housing Corporation program needs and the general public's need for reasonably priced serviced lots
- the program also strives to prevent unfair speculation from driving up land costs by providing serviced lots at a reasonable price
- the program can also play a key role in accommodating future planned growth across the Province.

Source of Funding:

- financing of the program is largely through Section 42 of the National Housing Act.
- this Section provides long term, low-interest loan funds from the Federal Government for 90% of the acquisition and servicing costs
- the remaining 10% of these costs come from the Provincial Government.

Tri-Level Administered Programs

1. Neighbourhood Improvement Program

Purpose:

- to improve the amenities of older, rundown neighbourhoods and to improve the living conditions of residents of such neighbourhoods.

Description:

- the program provides funding from three levels of government to assist in activities such as constructing, acquiring, or improving facilities, and upgrading municipal services
- the program requires that the municipal activities involve the neighbourhood residents in the planning and implementation stages so that the end result of the improvement efforts will meet the common needs and desires of both the neighbourhood and the municipality.

Eligibility:

- the program is operated in designated areas that are predominantly residential and in which a significant portion of the housing stock is in need of improvement and repair.

- most of the housing in the neighbourhood is to be occupied by people of low to moderate income
- the neighbourhood facilities are considered deficient
- the neighbourhood is potentially stable.

Source of Funding:

- the Federal and Provincial Governments will make grants and loans toward improvements in accordance with established cost shared ratios
- for instance, the cost of acquiring land for open space, housing and community facilities or for the administration of the program can be covered by; 50% Federal grant, 12.5% Provincial grant, 37.5% Federal loan repayable by the municipality
- utility projects, such as work in services, water lines and streets, are to be shared 25% Federal grants, 18.25% Provincial grant and 56.25% Federal loan repayable by the municipality
- the Federal funding for the program is through Section 27.2, 27.4 and 27.5 of the National Housing Act.

2. Residential Rehabilitation Assistance Program (RRAP)

Purpose:

- to upgrade the existing substandard housing conditions in NIP areas.

Description:

- loans of up to \$5,000 will be made within defined minimum standards of health and safety
- loans are available to non-profit corporations and co-operatives and to landlords who agree to rent ceilings as well as to individual homeowners
- eligible work will include wiring, heating, plumbing structural work and site work.

Available Assistance:

- up to \$5,000 per dwelling unit may be made available for the rehabilitation of the unit
- up to \$2,500 for each loan may be forgiven depending on the applicant's income.

Source of Funding:

- the funding is provided by CMHC under Section 34.1 of the National Housing Act.